

Before the  
Federal Communications Commission  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of

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MCI Request for Rulemaking **DOCKET FILE COPY ORIGINAL**

Relating to Local Exchange Carrier

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"Freezes" on Consumer Choices of

)

File No. CCB/CPD 97-19

Primary Local Exchange or

)

(RM 9085)

Interexchange Carriers

)

ALLTEL TELEPHONE SERVICES CORPORATION'S  
COMMENTS IN OPPOSITION TO MCI'S REQUEST FOR RULEMAKING

ALLTEL Telephone Services Corporation, on behalf of its affiliated local exchange companies (hereinafter "ALLTEL" or the "ALLTEL Companies"), pursuant to the Commission's public notice released May 5, 1997, DA 97-942, hereby submits its Comments in Opposition to the Petition for Rulemaking filed by MCI on March 18, 1997.

MCI Has Established No Basis for Its Requested Rulemaking.

As discussed below, ALLTEL vigorously disagrees with MCI's requested rulemaking and submits that the Petition for Rulemaking ("Petition") should be denied.

Briefly summarized, MCI seeks to have the Commission institute a rulemaking "to regulate the solicitation, by any carrier or its agent, of primary interexchange carrier ("PIC") 'freezes' or other carrier restrictions on the switching of a consumer's primary interexchange (interLATA and intraLATA toll) and local exchange carrier."

(Petition p. 1). According to MCI, although incumbent LECs claim to offer PIC

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freezes as a protection against the unauthorized conversion of a customer's service (AKA "slamming"), "the reality is that they have employed PIC freezes as a strategic tool to lock in their own customers and to impede effective competition, particularly in the local and intraLATA toll markets they currently dominate." (Id. at 1-2) To remedy this, MCI would have the Commission adopt a new rule, proposed Section 64.1200, which would, among other things: (1) require LECs to furnish, upon reasonable request, the name and telephone number of all consumers who have in effect a PIC freeze and/or local, intraLATA or interLATA carrier restrictions on their accounts, and (2) require LEC cooperation which must include offering the functionality to conduct a three-way telephone conference between the consumer, the current carrier, and the new carrier to unfreeze PICs. (Id. at 8-9).

ALLTEL is opposed to MCI's request for several reasons. First of all, MCI has confused a wide-spread problem - that of slamming or unauthorized PIC changes - with a valid consumer protection mechanism - that of PIC freezes. In actual fact, a consumer problem exists not as MCI alleges with PIC freezes, but with slamming.

That slamming complaints have been on the increase in the past few years is not a hidden development. Slamming complaints have significantly increased both the Commission's as well as the LECs' workload. Moreover, the Common Carrier Bureau devoted its entire Fall 1996 Common Carrier Scorecard Report to slamming, an issue it said generated the largest volume of consumer complaints.

In the last two years, the ALLTEL Companies have received numerous requests from customers as to how they can avoid being slammed. Furthermore, the number of

informal slamming complaints served on the ALLTEL Companies by the FCC has increased significantly. For example, in 1996, out of some 75 informal complaints served on the ALLTEL Companies, over 74 percent raised slamming issues. For 1997, the percentage is higher. Thus, to-date, of the 44 informal complaints served on the ALLTEL Companies, 77 percent are slamming related.

ALLTEL has found that when slamming issues exist, ALLTEL is usually the first point of contact by the slammed consumer. In many instances, the situation is both delicate and labor intensive. In an effort, to be consumer focused and responsive, the ALLTEL Companies adopted a PIC freeze program on February 10, 1997. Under this program, PIC freezes are only applied at the customer's request and at no charge. To date, we have not received any consumer complaints about this initiative. Further, ALLTEL believes that such an initiative is consistent with the Commission's encouragement to LECs to take additional steps that might help reduce slamming. One such step cited by the Commission itself was Pacific Bell's PIC freeze program.

(Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers, CC Dkt. 94-129, Report and Order released June 14, 1995, p. 15, fn. 58.)

During the 1995-1996 time frame, the Commission heightened its enforcement of violations relating to unauthorized PIC changes and issued various notices of apparent liability for forfeitures ("NALs"). (See, for example, the NAL adopted December 12, 1996 regarding LDS; the NAL adopted June 20, 1996 regarding Heartline Communications; the NAL adopted January 19, 1996 regarding AT&T Corp., and the NAL adopted January 19, 1996 regarding MCI.) In each instance, the

Commission indicated that the unauthorized conversion of a consumer's prescribed long distance carrier continues to be a wide spread problem. MCI's Petition, however, ignores this problem. Moreover, the adoption of its proposed rule would generate further customer frustration and result in increased costs and workloads for both the Commission and the LECs.

MCI's requested rulemaking also ignores the Congressional concerns relating to slamming which are embodied in Section 258 of the 96 Telecom Act. Rather than addressing or resolving the problem of slamming, MCI's request would exacerbate the problem in not only the current interLATA markets but in the competitive intraLATA and local markets envisioned by the 96 Telecom Act.

Finally, the pervasiveness of slamming and its threat to the Commission's goal of fostering competition while protecting consumers was discussed extensively by the Commission in its recent decision in RCI Long Distance, Inc., 11 FCC Rcd. 8090 (1996). In that case, the Commission addressed arguments similar to those made by MCI herein regarding Section 201(b) violations of the Act. The Commission found no violation of Section 201(b) and said it was not persuaded that the PIC change processes at issue (i.e., the use of manual processes and customer verification of each change for payphones) constituted more than reasonable responses by the defendant to the pervasive slamming problem. (*Id.* at 8104-8105). ALLTEL believes that a PIC freeze falls into a similar category. It is a method - - albeit not totally effective - - to deter slamming, while, at the same time, enabling customers to freely select and to remain with their carrier of choice.

WHEREFORE, based on the aforesaid, ALLTEL respectfully requests that  
MCI's Petition be denied.

Respectfully submitted,

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Dated: June 4, 1997

**CERTIFICATE OF SERVICE**

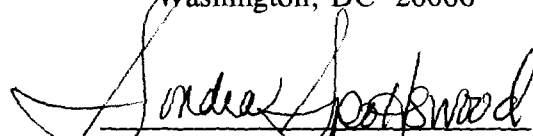
I, Sondra Spottswood, hereby certify that a true and accurate copy of the foregoing Comments of ALLTEL Telephone Services Corporation was served this 4<sup>th</sup> day of June, 1997 to the parties listed below by United States mail, postage prepaid, unless otherwise indicated:

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